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Viewing cable 08MANAGUA329, LIBERALS UNITE FOR NOVEMBER MUNICIPAL ELECTIONS

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Reference ID	Created	Released	Classification	Origin
08MANAGUA329	2008-03-18 22:00	2011-08-30 01:44	CONFIDENTIAL	Embassy Managua

Appears in these articles:

<http://www.nacion.com/2011-05-30/Mundo/NotasSecundarias/Mundo2758456.aspx>
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<http://www.confidencial.com.ni/articulo/3967/barreto-era-ldquo-fuente-confiable-rdquo-para-eeuu>

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C O N F I D E N T I A L SECTION 01 OF 03 MANAGUA 000329

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E.O. 12958: DECL: 03/18/2018

TAGS: PGOV PHUM KDEM NU

SUBJECT: LIBERALS UNITE FOR NOVEMBER MUNICIPAL ELECTIONS

REF: MANAGUA 209

Classified By: Ambassador Paul Trivelli, Reasons 1.4 (b) and (d)

SUMMARY

¶11. (C) On March 4, Nicaragua's two largest Liberal movements, Vamos con Eduardo (VCE, formerly the Nicaraguan Liberal Alliance, ALN) headed by Eduardo Montealegre and the Constitutional Liberal Party (PLC) led by ex-President Arnoldo Aleman officially formed an alliance to run jointly in the November municipal elections. On March 14, through a haphazard and sometimes controversial process, the VCE-PLC alliance registered joint mayor and vice-mayor candidates (apparently) in all 153 municipalities, including the Managua ticket of Montealegre-Quinonez. Montealegre told us his "party" (now technically just a "movement") was forced to choose between the lesser of two evils: joining the PLC to fight the growing authoritarianism of the Ortega/FSLN government or fighting the combined forces of the Pacto (the powersharing agreement between Aleman and Ortega) and face certain electoral defeat. Promises of private sector financial support for the new alliance also played significantly into the decision to unite. The unity agreement, if fully implemented, could offer voters a true referendum on the Ortega administration and thereby lead to Liberal victories in a significant number of municipalities. However, tough obstacles lie ahead, especially for Montealegre, and it remains to be seen how the FSLN, and Aleman, will respond. End Summary.

VAMOS CON EDUARDO AND PLC - A UNITED LIBERAL EFFORT

¶12. (C) According to our political party contacts, following the abrupt decision by the CSE to advance the electoral calendar and change the leadership of the ALN (reftel), Montealegre considered withdrawing from the race for mayor of Managua. Without the ALN's legal status, Montealegre simply had no party banner with a firm legal footing under which to run. However, following a February 26 decision by the PLC's executive committee to endorse Montealegre's vice-mayoral candidate, PLC National Assembly Deputy Enrique Quinonez, and to open the door to a formal alliance, Montealegre formally announced his candidacy for mayor of Managua and his intention to pursue an alliance with the PLC, but under the party banner of the Independent Liberal Party (PLI). Montealegre subsequently told us that the announcement concerning PLI was actually part of a negotiating tactic to

force Aleman and the PLC to offer better terms for the proposed alliance and acknowledged that he knew from the start of the talks that the alliance would most likely to run under the PLC banner.

¶3. (C) Indeed, on March 4, the VCE, PLI and the PLC announced an alliance -- "a grand coalition of democratic forces" -- and registered the same day with Supreme Electoral Council (CSE). All three parties agreed to use the PLC's party registration for the elections -- a step designed to reduce the likelihood of CSE interference and manipulation. In addition, the alliance registered two joint legal representatives -- PLC Deputy Wilfredo Navarro for the PLC and Mauricio Montealegre for VCE/PLI, as well as an evenly split team to manage the campaign.

¶4. (C) On March 14, in a contentious process lasting until midnight, the Liberals registered candidates for mayor and vice mayor in (apparently) all 153 municipalities. According to an internal agreement, the party that gained the most votes in the 2006 elections in a given district would name the mayor candidate and the other party would choose the vice-mayor candidacy. In practice, this arrangement appears to have not always been honored. For example, in Bonanza, the PLC prevented the VCE and the Nicaraguan Resistance Party (PRN) from registering candidates, and instead inscribed its own candidates first. There are reports of similar manipulation of registration in a few other municipalities. Furthermore, a last minute fight over the registration of the PLC candidate for Nindiri, anti-Aleman and pro-Quinonez Lucas Reyes, nearly scuttled the entire deal as Quinonez threatened to withdraw from the race and Montealegre refused to register without Quinonez. Minutes prior to the closing of

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registration, Aleman reportedly withdrew his objections to Reyes and the Montealegre-Quinonez ticket was duly inscribed with the CSE.

IS THE STRUGGLE AGAINST ORTEGA OR THE PACTO?

¶5. (C) In a series of meetings with Montealegre and other leaders of VCE over the past two weeks, Montealegre acknowledged to us the challenges facing his movement, noting that he was confronted with two less-than-optimal choices following his loss of the ALN presidency and the advanced date for alliance and candidate registration set by the CSE. On one hand, he could have formed an anti-Pacto alliance with the left-wing Sandinista Renovation Movement (MRS) and the smaller parties (PLI, Conservative Party (PC), PRN and others) but that grouping would have been saddled which may have well ensured its defeat, namely, the lack of a legally viable party vehicle under which to run (i.e., one strong enough to withstand the CSE's pernicious legalisms), a dearth of funding, and the continued division of the Liberal forces.

He doubted these combined forces could put together a winning electoral coalition, particularly given the private sector's long-standing threat to withhold all funds from any alliance not representing Liberal unity.

¶6. (C) Alternatively, to run jointly with the PLC could serve to unite the Liberal forces and tap a greater percentage of the electorate, but also risked surrendering control over his movement (and his political credibility) to Arnoldo Aleman. "The question is -- is the main struggle against Ortega or the Pacto?" he postulated. In Montealegre's view, Ortega's growing authoritarianism, lack of respect for the rule of law, and mismanagement of the economy and foreign policy, now present the greatest threat to the future of Nicaragua and, given the political circumstances, forced him to seek an agreement with the PLC against Ortega. Montealegre maintains no illusions that Aleman will respect the terms of the agreement, but believes that the joint legal representation and campaign team, plus the growing influence of anti-Aleman leaders within the PLC, will give him enough space to operate

and advance his candidates in key municipalities.

¶ 7. (C) Montealegre was clearly influenced in his decision by the private sector's continuing reluctance to provide financial support to the democratic forces in the absence of Liberal unity. In particular, Nicaraguan businessman Carlos Pellas (Nicaragua's wealthiest person and head of the Pellas Group) told Montealegre (as well as us) that the leaders of the business class would not provide financing to him or other democratic groups unless the Liberals united. It remains to be seen whether the inverse of the private sector's argument - that they will give money now that the Liberals are united - holds true. Montealegre has placed a number of private sector leaders on his campaign team to expand the outreach to the business community and is looking to raise at least USD 2 million for the Managua race alone.

OTHER PARTIES VOICE DOUBTS

¶ 8. (C) Edmundo Jarquin, leader of the MRS, has privately expressed regret that Montealegre had joined with Aleman, thereby undercutting his anti-Pacto credentials. Jarquin fears that Montealegre's decision has breathed new life into Aleman at a moment when his influence was clearly on the wane. He believes the unity agreement will not help the Liberals attract more votes, noting that in 2000 the Liberals were united -- and still lost heavily to the FSLN. Moreover, the association with Aleman will dampen the enthusiasm of independents, and increase the rate of abstention, further eroding the Liberals' chances for victory. Jarquin had hoped that he and Montealegre could have formed an anti-Pacto, left-right coalition that would have been able to win the larger municipalities and establish a solid political base for the future. Instead, the MRS will not participate in any formal alliance and indeed has registered Assembly Deputy Enrique Saenz to run for mayor of Managua.

¶ 9. (C) The VCE-PLC alliance has also exacerbated tensions within the smaller Conservative Party (PC) and the Nicaraguan Resistance Party (PRN). Leaders of both parties formally

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declined to participate in the alliance and have registered their own candidates (septel) in many municipalities. To further add to potential confusion voters will face, some prominent PC members opted as individuals to register as candidates within the unity alliance while others are running under the PC party banner. In Granada and surrounding municipalities, this division threatens to further split the democratic forces and perhaps hand the FSLN victories they otherwise would not have earned.

COMMENT

¶ 10. (C) The agreement of the two main Liberal movements (joined in some cases by candidates from other parties) represents a step forward by the pro-democratic movement to challenge Ortega in the upcoming elections. With the two parties running jointly, they do have the potential to mobilize a majority of the electorate and capture a large number of municipalities. The alliance also presents an opportunity to develop new political leadership within the democratic forces at the local level that will be more responsive to their constituents. However, the combined effects of ill feelings within both parties over the haphazard candidate selection and registration process, and the electoral isolation of smaller parties like the Conservatives threaten to blunt some of the positive momentum. Furthermore, it is not clear how much damage Montealegre may have done to his anti-Pacto and democratic credentials by joining forces with Aleman's PLC, regardless of how many institutional checks have been put in place by the terms of the agreement. Finally, we can expect the CSE

to throw up many more obstacles to Montealegre and his candidates in the coming weeks, including rejection of some hopefuls as well as limitations on domestic election observers and training for party poll watchers. Whether the alliance, and the broader democratic movement, can overcome these internal and external challenges remains a serious concern.

¶11. (C) We also note that several prominent FSLN members have told us privately that they did not expect the Liberals to unite ("shocked, shocked!!!") and they are "losing sleep" over the thought of confronting "the very powerful" Montealegre-Quinonez ticket in Managua. Such uniform protestations are only making us more suspicious that the Sandinistas have the Liberals right where they want them -- separated from several small parties on both the right and left, still bound to an ever-scheming Arnoldo Aleman, and at the mercy of a CSE which has shown itself adept and shameless at tilting the electoral playing field sharply towards the Sandinistas.

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